

and recovered alcohol has been properly disposed of in accordance with the provisions of this part.

(Approved by the Office of Management and Budget under control number 1512-0335)

Subpart E—Bonds and Consents of Surety

§ 22.71 Bond.

(a) Any bond previously approved, under this chapter, on Form 1448 (5150.25) which fulfills the penal sum requirements of paragraph (b) of this section shall remain valid and will be regulated by the same provisions of this subpart as it refers to bonds on Form 5150.25.

(b) Each person who intends to withdraw more than 1,500 proof gallons of tax-free alcohol per annum shall file a bond, Form 5150.25, before issuance of the permit. However, no bond is required if the permittee is a State, any political subdivision of a State, or the District of Columbia. The penal sum of the bond will be as follows:

Maximum annual withdrawals	Bond penal sum
0 to 1,500 proof gallons	No bond required.
Over 1,500 but not over 3,000 proof gallons.	\$2,000 plus \$100 for each additional 100 proof gallons up to a maximum of \$3,000 (2,500 proof gallons).
Over 3,000 but not over 6,000 proof gallons.	\$3,000 plus \$200 for each additional 100 proof gallons up to a maximum of \$7,500 (5,250 proof gallons).
Over 6,000 proof gallons.	\$7,500 plus \$250 for each additional 100 proof gallons up to a maximum penal sum of \$15,000 (9,000 proof gallons).

(c) The following are some examples:

If your annual withdrawals are	Your penal sum is
1,250 proof gallons	No bond required.
2,800 proof gallons	\$3,000 (\$2,000 plus \$1,000 (\$100 × 10 units), last 300 proof gallons does not require additional bond coverage).
8,250 proof gallons	\$13,000 (\$7,500 plus \$5,500 (\$250 × 22 units), the remaining 50 proof gallons does not increase the bond since it is not an "additional" 100 proof gallon unit).

[T.D. ATF-199, 50 FR 9183, Mar. 6, 1985, as amended by 50 FR 20099, May 14, 1985]

§ 22.72 Evaluation of bond penal sum.

(a) *Permittee's evaluation.* Each permittee shall, for the period from January 1 through the following December 31, make an annual evaluation of its previous and future needs for tax-free alcohol. Based on the results of this evaluation:

(1) The permittee shall file a new bond in increased penal sum, if the existing bond no longer meets the penal sum requirements of § 22.71, or

(2) The permittee may file a new bond in decreased penal sum, if the existing bond exceeds the penal sum requirements of § 22.71.

(b) *Authority of regional director (compliance).* The regional director (compliance) may, at any time, require a permittee to file a new bond in a larger penal sum, or require a satisfactory explanation why a new bond should not be filed.

§ 22.73 Corporate surety.

(a) Surety bonds required by this part may be given only with corporate sureties holding certificates of authority from, and subject to the limitations prescribed by, the Secretary in the current revision of Treasury Department Circular No. 570.

(b) Treasury Department Circular No. 570 is published in the FEDERAL REGISTER annually as of the first workday in July. As they occur, interim revisions of the circular are published in the FEDERAL REGISTER. Copies may be obtained from the Surety Bond Branch, Financial Management Service, Department of the Treasury, Washington, DC 20226.

(Chapter 390, Pub. L. 80-280, 61 Stat. 648 (6 U.S.C. 6, 7))

[T.D. ATF-199, 50 FR 9183, Mar. 6, 1985; 50 FR 20099, May 14, 1985]

§ 22.74 Filing of powers of attorney.

Each bond, and each consent to changes in the terms of a bond, shall be accompanied by a power of attorney authorizing the agent or officer who executed the bond or consent to act on behalf of the surety. The regional director (compliance) may require additional evidence of the authority of the agent or officer to execute the bond or consent.